



U.S. Department of Justice

**Stephen J. Murphy
United States Attorney
Eastern District of Michigan**

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277
Fax: (313) 226-3561*

For Immediate Release:

Contact: Gina Balaya (313) 226-9758

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EVENT: Guilty Plea

Defendant: Jack John Mevorach

HAZEL PARK MAN PLEADS GUILTY TO BANKRUPTCY FRAUD

A 48 year-old Hazel Park man pled guilty today to one count of bankruptcy fraud charging him with a scheme to defraud his former employer, DSW Management, and then filing two fraudulent bankruptcy petitions in the business owner's name to conceal his fraud United States Attorney Stephen J. Murphy announced today.

Pleading guilty before U.S. District Judge Arthur J. Tarnow was Jack John Mevorach of Hazel Park, Michigan.

The fraud arose when Jack Mevorach began working for DSW Management, a landscaping and snowplowing business, in 2003 and began to divert customers payments to himself for his personal use. As creditors of DSW sought to collect their monies, Mevorach completed and forged the signature of the company's owner to two separate bankruptcy petitions and filed them with the U.S. Bankruptcy Court for the Eastern District of Michigan. This action kept the creditors from continuing to collect their debts and helped conceal Mevorach's diversion of monies from the company's owner.

“The use of our federal bankruptcy system to conceal criminal activity by robbing creditors who have provided their goods and services in the full expectation of being paid is simply unacceptable. Discovering that the debt you are owed has been discharged in a bankruptcy can be financially devastating enough without the added burden of finding out that the bankruptcy case was fraudulent. This crime created several victims, the defrauded employer as well as his creditors. We will aggressively pursue such abuses” stated U.S. Attorney Murphy.

The count to which he pled guilty carries a maximum sentence of 5 years imprisonment and a \$250,000 fine. Mevorach’s sentencing is scheduled for June 28, 2007 at 2 p.m. The investigation of this case has been conducted by the FBI Office in Detroit and prosecuted by Assistant U.S. Attorney Ross I. MacKenzie and Special Assistant U.S. Attorney Leslie K. Berg. Substantial support was received from the U.S. Trustees Office in Detroit charged with administering bankruptcy cases.